

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1461
ANSWERED ON:03.03.2000
IMPORT OF COTTON
CHARAN DAS MAHANT

Will the Minister of TEXTILES be pleased to state:

- (a) whether there has been decline in the prices of cotton in the International market this year and the farmers of the country have been getting low price due to the import of cotton;
- (b) if so, the quantity of cotton imported this year as compared to the last three years;
- (c) whether any study has been conducted regarding the loss being suffered by the farmers due to the import of cotton at low rates;
- (d) if so, the results thereof;
- (e) the procedure of imposing import duty/customs duty and to save the farmers from the loss in such cases;
- (f) the steps being taken to make this procedure more effective; and (g) the latest decision taken with regard to the import of cotton?

Answer

MINISTER OF STATE FOR TEXTILES

(SHRI GINGEE N. RAMACHANDRAN)

(a): Though, the prices of cotton in the international market have declined, the farmers are ensured remunerative prices through the Price Support mechanism of the Government irrespective of the import and international prices. The current prices of cotton in the domestic market are in general ruling well above the Minimum Support Prices(MSP) announced by the Government, and also above the international prices. As such, the interest of the cotton farmers is protected through Price Support mechanism.

(b): During the current cotton year 1999-2000(Oct.-Sept.), import contracts of 10,95,360 bales(of 170 kg. each) have been registered with the Textile Commissioner during the period 1.1.2000 to 15.2.2000, however, the details of the actual import are yet to be reported. During the cotton years 1996-97, 1997-98 and 1998-99 import of cotton was 0.30 lakh bales, 4.13 lakh bales and 7.87 lakh bales respectively.

(c)&(d): The Government announces Minimum Support Price(MSP) for kapas (seed cotton) after taking into account relevant factors such as cost of all inputs and reasonable margin of profit to the growers. In the event of the market price falls below the MSP announced, the Government purchases kapas at the MSP without any quantitative limit thus ensuring remunerative prices to the growers. The existing forum, viz., Cotton Advisory Board(CAB) reviews the cotton situation and advises the Government periodically.

(e)to(g): The Government imposes Import duty/Customs duty after taking into consideration all relevant parameters in the larger interest of the country. From the current year's budget an import duty of 5%(with 10% surcharge) has been imposed. From the current year, registration of import of cotton, with the office of the Textile Commissioner has been put in place.